



OFFICE OF THE DISTRICT ATTORNEY

COUNTY OF LOS ANGELES

SPECIAL INVESTIGATIONS DIVISION

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IRA REINER, DISTRICT ATTORNEY

April 25, 1986

Rev. Ken Hoden
Rev. Kathleen Gorgon
Rev. Heber Jentzsch
Mr. John Peterson
Mr. David Butterworth
Church of Scientology
1301 N. Catalina
Los Angeles, California 90012

Gentlemen:

In re S.I.D. CASE NO. C85-0054

In your letters dated May 1 and July 19, 1985, you asked that this office investigate your allegations that:

1. Chief Daryl Gates of the Los Angeles Police Department, Agents Al Lipkin and Al Ristuccia of the Internal Revenue Service, Gerald Armstrong, and Michael Flynn have committed the crime of conspiracy to obstruct justice.
2. Internal Revenue Service Agents Al Lipkin and Al Ristuccia additionally "aided and directed" the commission by Gerald Armstrong of violations of Penal Code Sections 182 (Conspiracy), 134 (Preparing False Evidence), and 653f (Solicitation of the commission of certain crimes).
3. Gerald Armstrong additionally prepared false documentary evidence in violation of Penal Code Section 134; committed extortion in violation of Penal Code Section 518; and solicited commission of the crimes of burglary, receiving stolen property, and forgery, in violation of Penal Code Section 653f.

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4. Michael Flynn additionally aided Gerald Armstrong in his violations of Penal Code Section 182, conspiracy, and Penal Code Section 653f, solicitation of burglary, receiving stolen property, and forgery.

Following his receipt of your letters, Steven A. Sowders, Head of the Special Investigations Division, met personally with Rev. Jentzsch and Rev. Hoden to discuss your complaint. I have since reviewed the voluminous materials you submitted in support of your charges, and I have spoken at length on the telephone and in person with church members John Peterson and David Butterworth. In our several conversations, I informed both Mr. Butterworth and Mr. Peterson that in order intelligently to evaluate the Church of Scientology's allegations, I would need further information. In addition to the documents already provided, I asked them to provide me with:

- (1) A complete description of the events to which the submitted documents relate, including:
 - (a) the time, date, and place of each event;
 - (b) the names of all persons present;
 - (c) the circumstances in which the event occurred;
 - (d) the name of each speaker and identifying information about him.
- (2) A description of the manner in which the recording or other source information was obtained.
- (3) A statement from the person who obtained the recording or other data, identifying him, describing the manner in which he obtained it, and setting forth the manner in which he could authenticate any recording and any transcript involved.
- (4) An explanation of the relevance of the conversations and other materials cited to the allegations of criminal conduct.

I further requested that they furnish any other evidence they might have in support of the Church of Scientology's allegations. I particularly requested documentation setting forth the specific facts in support of the allegations recited above. I asked that they provide the date, time, and place of each alleged event, and the name, address, and telephone number of each witness.

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In response, I received from Mr. John Peterson a letter dated September 27, 1985, which letter I discussed on October 3, 1985, with Mr. Butterworth. Thereafter, following many attempts on my part to schedule a meeting with either Mr. Peterson or Mr. Butterworth or both of them, on December 10, 1985, they came to my office and conferred with Investigator Alan Tomich and me.

In that meeting, I reiterated my need to know the date, time, and place of each alleged event, and the name, address, and telephone number of each witness. I further asked whether the Church of Scientology had any additional evidence in support of its allegations. Messrs. Peterson and Butterworth responded that they had submitted to this office all the evidence that they had.

I explained to them that, in order to decide whether a prosecutable crime had been committed, we had to interview those persons who had observed the events that were alleged to constitute the criminal conduct; and that in order to interview those persons we needed to know who they were and where we could find them. In response, Mr. Peterson repeated the suggestion he made in his letter of September 27, 1985, that we interview Eugene Ingram, who had videotaped certain events which, Mr. Peterson said, were the basis of his allegations. He declined, however, to identify, beyond the name "Joey," the persons other than Gerald Armstrong who appear on the tapes.

It was my understanding that Messrs. Peterson and Butterworth intended to review the matter and that they would subsequently forward the requested witness information to me. Their response was a letter dated December 15, 1985, which contained a witness list comprised of the names of the persons the Church of Scientology has accused plus another I.R.S. agent and two police officers. He furnished no further information.

I responded to Mr. Peterson in a letter dated January 16, 1986, in which I summarized our December 10 meeting. In it, I also asked Mr. Peterson to permit Investigator Tomich to interview Mr. Eugene Ingram (whom Mr. Peterson, as an attorney, apparently represents), and I again requested that Mr. Peterson supply us with the information outlined above.

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In response, I received from Mr. Peterson a letter dated March 18, 1986. In it, he denied that he and Mr. Butterworth had intended, after the December 10 meeting, to provide further information, and he declared that we had received all the data he felt we needed.

It appears, then, that no further evidence in support of your allegations is forthcoming; and based on Mr. Peterson's statement on December 10, 1985, that I had understood and accurately summarized the evidence the Church of Scientology had submitted, it appears that the assertions of fact described below constitute in its entirety the evidence in support of your allegations of criminal conduct.

Allegation 1:

That Chief Daryl Gates conspired to obstruct justice.

Evidence:

The allegation of "planting a 'wire tap' on Michael Flynn" was referred to Chief Gates¹ by Assistant City Attorney Lewis N. Unger on April 17, 1985.² On April 23, 1985, Chief Gates publicly rebuked Officer Phillip Rodriguez and Investigator Eugene Ingram for video taping Gerald Armstrong. Within hours, Investigators Lipkin and Ristuccia were seen, apparently by Rev. Heber Jentzsch,³ leaving Parker Center. There has allegedly been no effort to do anything about "Mr. Armstrong's crimes."⁴ Chief Gates also initiated an investigation "into the police officer and private investigator" (July 19 letter, p. 6).

Allegation 2:

That Internal Revenue Service Agents Al Lipkin and Al Ristuccia conspired with Gates, Armstrong, and Flynn to obstruct justice and that they "aided and directed" Gerald Armstrong in the commission of violations of Penal Code Sections 182, 134, and 653f.

Evidence:

John G. Peterson declared under penalty of perjury⁵ that "Armstrong showed he was being used by the Internal Revenue Service to gather information." In support of that declaration, Mr. Peterson included "excerpts from the videotape" which indicated that "GA" mentioned Al Ristuccia and gave Al Lipkin's telephone number to "J".

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Agents Lipkin and Ristuccia visited Officer Phillip Rodriguez and allegedly attempted to "strong arm" him. Agents Lipkin and Ristuccia stated that, on April 18, 1985, they interviewed Rodriguez, who admitted signing an authorization letter. The agents considered Rodriguez evasive and sought police assistance in obtaining his cooperation. The agents were seen leaving Parker Center on April 23, 1985.⁶

Armstrong told "J" that he had told Lipkin some people might want to talk to him,⁷ and that he had told Lipkin to go after Peterson.

Allegation 3:

That Gerald Armstrong conspired with Michael Flynnn, Daryl Gates, Al Lipkin, and Al Ristuccia to obstruct justice; prepared false documentary evidence; committed extortion; and solicited the commission of the crimes of burglary (Penal Code Section 459), receiving stolen property (Penal Code Section 496), and forgery (Penal Code Section 470), in violation of Penal Code Section 653f.

Evidence:

John Peterson declared that Armstrong conspired with a "church... staff member," was "used by...the Internal Revenue Service to gather information," "explained to the conspirators plans for attacking the church...and...Hubbard," and had a videotaped conversation with "J" which demonstrates his involvement with the government.⁹

"GA" told "J" to type the completed staff work on the policy and bring it in, that "issues can be created," but he was "not really saying create incrimination (sic) evidence...but just to write about the speculation." He also said, "They can never tell where the issue came from." He wanted the lawsuits to end so that he could get his "global settlement."¹⁰

Armstrong told "J" about a "good-looker" named Carol. He said "the way to the man's mind is through his cock" and "that's definitely the way to get to the top." He wrote a note which reads in part, "Establish available route for holding the cock of someone in ASI/WDC/etc."¹¹

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Armstrong allegedly wrote and handed over to someone on November 9, 1984, a "shopping list" of information which he asked a "church member to purloin." "GA" told "J" "something should be done so that they can capitalize on getting stuff...into writing and...unstabilizing the whole PI, attorney apparatus." He asked if "J" could get money to Peterson and told "J" to check the finance records. He said, "if we can get anything on Ingram (or) Peterson (or) finance records (or) other PI's (or) operation 'X'..., it's all vital."

Armstrong asked for specifics on payments to Ingram, and told "J" he should find what payments went to attorneys.

The handwritten list read in part, "1. Plan on Van Schaick...4. Anything on Hubbard or Don/ 5. Anything on upcoming legal battle... 8. Get me an original of an LRH Ed (current) or other issue type which could be from Hubbard. 8a. Same for WDC. Create one, get it distributed and get an assessment. Any partial that gives UP or ORG."¹²

He also told "J" he had given one "fanatic" document "to the Feds" and was giving them another.¹³

Armstrong told "J" on November 9, 1984, that he could type "things and duplicate them and make them look exactly the same" and that "we could set up a press and...produce issues...." He thought, "shouldn't I get some I HELP materials (?)". He wanted to know "how they're run off, what the type face is like..., - because we can simply create these;... - I can create documents with relative ease...."

"J" suggested changing some documents. "GA" responded that "a lot of things can be done", but he did not propose to "be stuffing things into their comm basket." He later commented that something could be pasted and photocopied.¹⁴

Allegation 4:

That Michael Flynn conspired to obstruct justice, and aided Gerald Armstrong in the crimes of conspiracy (Penal Code Section 182) and solicitation of burglary, receiving stolen property, and forgery (Penal Code Section 653f).

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Evidence:

In April, 1985, Flynn contacted the United States Attorney in Boston, the Internal Revenue Service, and the Los Angeles Police Department. Flynn's attorney, Raul Martinez then made allegedly false accusations of wire tapping.

Flynn told the Los Angeles Police Department that "Cooley" had had a video recording and a letter signed by Officer Rodriguez authorizing such a recording. By letter, Attorney Raul Martinez, representing Mr. Flynn, asked the City Attorney to investigate. The City Attorney forwarded the letter to Chief Gates.¹⁵

John Peterson declared under penalty of perjury that evidence indicated that Michael Flynn was directing Gerald Armstrong in order to steal documents, plot forgeries, steal legal strategies, implement a plot to seduce and blackmail a Scientologist, and conspire to suborn perjury.¹⁶

The "Van Schaick" case, referred to in Armstrong's "shopping list", was settled by Attorney Flynn.¹⁷

* * *

As Mr. Peterson has noted, I have spent a considerable amount of time reviewing and comprehending the materials you have submitted to this office. For the reasons set forth below, I do not find that those materials contain sufficient evidence of the commission of any of the alleged crimes to justify the further investigation of those allegations.

At the outset, I should like to point out the following regarding Mr. Peterson's letter dated September 27, 1985 and my subsequent communications with him. 1) Mr. Peterson told me that "the interviews took place in Griffith Park during... November, 1984." He has not otherwise responded to my request for a complete description of the events to which the documents related, including times, dates, places, names, circumstances, and identifying information. (See Request #1, above.)

2) Mr. Peterson told me that "tapes are not in dispute" and that details of the taping should be sought from Gene Ingram.

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But when Investigator Tomich sought to follow his advice, Mr. Peterson asserted he was Mr. Ingram's attorney, and he refused to permit Investigator Tomich to interview him.

In his letter of March 18, 1986, Mr. Peterson refused further to respond to my requests for a description of the manner in which recordings and other source information were obtained; and for a statement from the person who obtained the information (some of it apparently recorded, some of it apparently from other sources) identifying that person and describing the acquisition of the information, documents, or tape, and the manner in which it could be authenticated (proved to be what it purports to be). (See Requests Nos. 2 and 3, above.)

3) He submitted "data on the background of Jerry Armstrong" and the other documents referred to in the footnotes to this letter, in which he highlighted those portions he considered relevant to the allegations. He has not otherwise explained the relevance of the submitted materials to the allegations of criminal conduct. (See Request #4, above.)

4) He told me that the individuals speaking on the video tapes are "responsible witnesses who can be produced if necessary." Beyond submitting a list of the names of the persons you have accused and three of their associates, he has not otherwise responded to my requests that he document the specific facts which prove the commission of the crimes alleged, including the particular details about each event and the names, addresses, and telephone numbers of the witnesses (See the paragraph following request #4, above).

* * *

A conspiracy to obstruct justice is an agreement between two or more persons to do an act or omit to do an act, as the result of which justice or the due administration of the laws is obstructed or perverted. To convict a person of that crime the prosecution must prove that he made such an agreement with the specific intent to commit or omit the necessary act and that, while he was a member of the conspiracy, he or a co-conspirator committed an overt act in furtherance of the object within the prosecuting jurisdiction (in our case, Los Angeles County).

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Assuming that the factual allegations are true, and that Daryl Gates did receive from Michael Flynn a wiretapping complaint; did rebuke Officer Rodriguez and Investigator Ingram; and did initiate an investigation into possible criminal conduct by Rodriguez and Ingram; that Gerald Armstrong did have the above-described conversations with "Joey"¹⁸ about Al Lipkin and Al Ristuccia; that Lipkin and Ristuccia did interview Rodriguez, did consider him evasive, did seek Los Angeles Police Department assistance in obtaining Rodriguez's cooperation, and did visit Parker Center on April 23, 1985; that Armstrong told "Joey" to type staff work in order to create issues and that he did all the other things alleged (talked to "Joey" about "Carol," told "Joey" that "they" should destabilize the "PI, attorney apparatus," told "Joey" to check financial records, wrote and delivered the "shopping list," and gave documents "to the Feds") and that Michael Flynn both personally and through his attorney contacted the United States Attorney, the Internal Revenue Service, and the Los Angeles Police Department to complain about the tape recording, the actions of Officer Rodriguez, and other matters; and that he settled the "Van Schaick" case; we are unable to find in any of those allegations any evidence which would support an allegation that Chief Gates, Agent Lipkin, Agent Ristuccia, Mr. Armstrong, or Attorney Flynn agreed with anyone to commit or omit any act which might pervert or obstruct justice or the due administration of the laws.

No factual details (time, place circumstances, names of witnesses, etc.) have been submitted to support many of the conclusions that have been alleged. Thus there is no evidence that "there has been no effort to do anything about" crimes allegedly committed by Mr. Armstrong; that the Internal Revenue Service Agents attempted to "strongarm" Officer Rodriguez; that Mr. Armstrong conspired with a church staff member and explained to the conspirators his plans for attacking the church and Mr. Hubbard; that Mr. Armstrong wrote a "shopping list" of information and asked someone to "purloin" it; or that Michael Flynn made false accusations of wiretapping.

Therefore, the evidence of which we have been apprised of a conspiracy to obstruct justice is insufficient to warrant further investigation by this office.

To convict a person of the crime of preparation of false documentary evidence, the prosecution must prove that he in fact

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made the document, that it was false, and that he intended it to be produced as true for a deceitful purpose in a proceeding authorized by law.

Even assuming that it can be proved by competent, admissible evidence that Gerald Armstrong told "Joey" to type staff work and that "issues can be created," that "they can never tell where the issue came from," and that he wanted the lawsuits to end so that he could get his "global settlement"; that Armstrong wrote and gave to someone the "shopping list"; that he told "Joey" he wanted to get "stuff...into writing" and to "unstabliz(e)" the "apparatus"; that he said getting records was "vital"; that he said he could type and duplicate things and create documents and set up a press and produce issues, that he wanted to know about a type face, that a lot of things could be done and that something could be pasted and photocopied; none of this, taken alone, constitutes evidence that Mr. Armstrong in fact created a single false document or that he intended that such a document be produced for any purpose in any legal proceeding.

Further, in the documents submitted to us, Mr. Armstrong is quoted as stating that he was not advocating the creation of incriminating evidence and that he did not propose to "be stuffing things into their comm baskets."

We are aware of no other evidence which might lend criminal significance to the statements of Mr. Armstrong. We can find, therefore, no basis for a further investigation of the allegation that Penal Code Section 134 has been violated.

Extortion (Penal Code Section 518) is the obtaining of property from another with his consent, induced by a wrongful use of force or fear. The fear may be induced by a threat to injure a person or property, or to accuse the victim or a relative of crime, or to impute to any of them a deformity, disgrace, or crime, or to expose a secret affecting any of them. Penal Code Section 524 makes it a felony to attempt to commit extortion.

Assuming that it can be proved that Gerald Armstrong expressed the views alleged regarding the "way to the man's mind" and that he wrote the note referring to "ASI" and "WDC", that does not appear to us to be evidence that he or anyone obtained or

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attempted to obtain property from anyone by means of any threat. We therefore find no basis for further investigation of the allegation that Gerald Armstrong committed extortion.

The solicitation of another person to commit or join in the commission of burglary, receiving stolen property, or forgery is a felony, the proof of whose commission requires the testimony of two witnesses or of one witness plus evidence of corroborating circumstances. To convict a person of solicitation, the prosecution must prove that he asked another person to commit a crime with the specific intent that it be committed.

The solicitation of burglary requires a request that one enter a building or other specific place (See Penal Code Section 459) intending to commit larceny or a felony; the solicitation of receiving stolen property requires a request that one receive property that one knows has been stolen; the solicitation of forgery, a request that one, with the intent to defraud, sign without authority another's name or counterfeit his handwriting, or make any of the false documents specified in Penal Code Section 470, or knowingly utter such falsified document, signature, or handwriting.

Assuming that the allegations are true that Gerald Armstrong told "Joey" to type staff work, that "issues can be created." that "something should be done so that they can capitalize on getting stuff...into writing," that "if we can get anything on Ingram (or) Peterson (or) finance records..., it's all vital," and that "Joey" should find what payments went to attorneys; and, further assuming it to be true that Armstrong gave "Joey" a list which specified "plan" or "anything" "on" certain matters and stated "get me an original...issue type"; that he told "Joey" he had given and would give documents "to the Feds," that he could duplicate things and create documents, and that something could be pasted and photocopied; these allegations nonetheless do not constitute evidence that Mr. Armstrong, with the requisite intent, asked anyone to commit the crime of burglary, receiving stolen property, or forgery. We therefore find no basis for further investigation of the allegation that Gerald Armstrong violated Penal Code section 653f.

A person aids and abets the commission of a crime if, with knowledge of the perpetrator's unlawful purpose and with the intent to encourage or facilitate the commission of the crime, he aids, promotes, or instigates its commission.

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The documents submitted to us indicate that Gerald Armstrong gave "Joey" Al Lipkin's telephone number, that he told "Joey" that he had told Lipkin some people might want to talk to him, that he told "Joey" that he had told Lipkin to go after Peterson, and that he mentioned Al Ristuccia to "Joey". The allegations regarding Michael Flynn are described above.

None of those allegations is itself evidence of any unlawful connection between those men and Mr. Armstrong. Further, since we have been presented with no significant evidence of any unlawful conduct on the part of Mr. Armstrong, we do not find that there is sufficient evidence to warrant further investigation of the allegations that Al Lipkin, Al Ristuccia, or Michael Flynn aided and abetted the commission of any crime.

In addition to the lack of evidence set forth above, it must also be noted that, lacking knowledge of the manner in which the video tape recordings were obtained, we do not know whether their acquisition violated either United States or California law. If it violated federal law, material thus acquired even if relevant - which it does not appear to be - might be inadmissible in evidence.

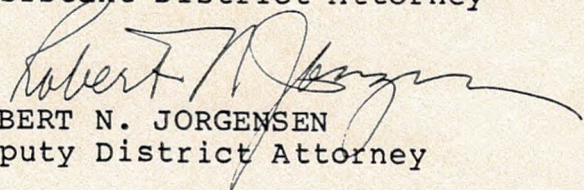
For all of the reasons described above, we have concluded that there is no evidence in support of the allegations of criminal conduct on the part of Daryl Gates, Al Lipkin, Al Ristuccia, Gerald Armstrong, and Michael Flynn. Accordingly, we shall take no further action in this matter, and our file is closed.

Very truly yours,

IRA REINER
District Attorney

CURT LIVESAY
Assistant District Attorney

By


ROBERT N. JORGENSEN
Deputy District Attorney

jeb

c: Chief Daryl Gates, L.A.P.D.
Ron Townsend, I.R.S.
Al Lipkin, I.R.S.
Al Ristuccia, I.R.S.
Gerald Armstrong
Michael Flynn

FOOTNOTES

1. This is set forth in a document entitled "6. Obstruction of Justice".
2. See Exhibit 7 attached to "6. Obstruction of Justice."
3. See Exhibit 11 attached to "6. Obstruction of Justice."
4. See Number 1, above.
5. See document entitled "5. Conspiracy."
6. See Number 1, above.
7. See document entitled "2. Soliciting... ."
8. See document entitled "1. Soliciting... ."
9. See Number 5, above.
10. See document entitled "4. Preparation of False Documentary Evidence."
11. See document entitled "3. Extortion."
12. See document entitled "1. Soliciting... ."
13. See Exhibit 1 page 16.
14. See document entitled "2. Soliciting... ."
15. See Number 1, above.
16. See Number 5, above.
17. See Number 8, above.
18. During our December 10 meeting, Messrs. Peterson and Butterworth identified "J" as "Joey".

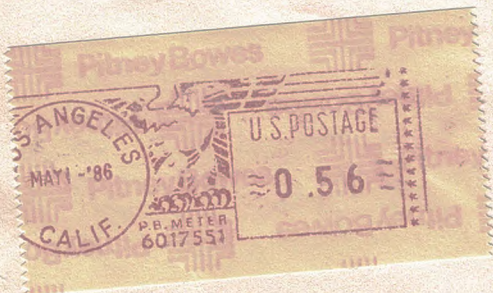
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